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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91218006
Party	Plaintiff Cupid plc
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Application No. 85/889232

Cupid plc,	)	
Opposer,	)	
v.	)	Opposition No. 91218006
TrulySocial Limited,	)	
Applicant	)	

OPPOSER'S MOTION TO DISMISS WITH LEGAL AUTHORITIES

Pursuant to 37 C.F.R. § 2.116(a), TMEP § 503 and Fed. R. Civ. P. 12(b)(6), Opposer Cupid plc ("Opposer" or "Cupid"), by and through undersigned counsel, hereby moves for dismissal of the Counterclaim for Cancellation of Registration No. 4,083,813 (the "Counterclaim") in the above-referenced opposition proceeding for failure to state a claim upon which relief may be granted.

Applicant TrulySocial Limited ("Applicant") fails to plead sufficient facts to establish Applicant's standing to cancel the trademark registration, the grounds for which are solely based on alleged third party rights. Applicant also fails to plead with particularity sufficient facts to establish fraud on the U.S. Patent and Trademark Office ("USPTO").

I. Introduction

Applicant's Counterclaim seeks to cancel Opposer's registration No. 4,083,813 for the FLIRT mark (the " '813 Registration") on the grounds that the FLIRT mark is not owned by Opposer and that Opposer made false statements about its ownership and first use. Counterclaim, ¶¶ 5- 10. However, as shown herein, Applicant's Counterclaim fails to state a

claim upon which relief can be granted, is fatally deficient and should be dismissed in its entirety.

II. Background Facts

The Counterclaim rests on Applicant's allegations that a third party, Belamo Corporation ("Belamo"), is the rightful owner of the FLIRT mark that is the subject of Opposer's '813 Registration, and that Belamo and Opposer are currently parties to a cancellation proceeding ("Belamo Cancellation") that would adjudicate Belamo's claim of ownership of the FLIRT mark asserted by Cupid in the instant opposition proceeding. Counterclaim, ¶¶ 4- 9. In the Counterclaim, Applicant merely recites the allegations made by Belamo in the Belamo Cancellation petition: that Opposer made false statements to the USPTO about its ownership and dates of first use of the FLIRT mark which resulted in Opposer obtaining the "813 Registration. Counterclaim, ¶¶ 8-10. Applicant also alleges that Opposer "made false statements willfully in bad faith, which resulted in the Opposer fraudulently obtaining Registration No. 4, 083,813." Counterclaim, ¶10. That single sentence is the extent of Applicant's fraud allegation.

However, the facts that are relevant to this proceeding opposing Applicant's pending application are that: (i) Opposer is the owner of the '813 Registration for the mark FLIRT in standard-character format for use in connection with "Internet-based dating, social introduction, and social networking services," in International Class 45; (ii) beginning at least as early as 1997, continuously through to the present and without abandonment, Opposer (itself and through its predecessor in interest) has advertised, promoted, marketed, and sold its aforementioned services under the FLIRT mark, establishing valuable common law rights in the mark; (iii) the mark in Applicant's Application Serial No. 85889232 is so similar to Opposer's FLIRT mark, and the services identified in Applicant's application are so related to the services offered by

Opposer that registration of Applicant's mark would result in a likelihood of confusion among relevant consumers; and (iv) Applicant's priority date is junior to Opposer's June 6, 2011 filing date of Serial No. 85/338,428 for the FLIRT mark, which matured into the '813 Registration.

Opposer thus has properly pled priority of use and senior rights to Applicant's confusingly similar mark. As there has been no adjudication in the Belamo Cancellation proceeding, Belamo's dispute with Opposer does not provide grounds for Applicant to seek cancellation of the '813 Registration.

III. Argument

A. Applicant Lacks Standing to Cancel Opposer's Asserted Registration Because its Counterclaim is Based Solely on a Third Party's Claim of Trademark Rights

Applicant contends that the '813 Registration should be cancelled because a third party, Belamo, claims prior rights in a similar mark. Applicant seeks to cancel the '813 Registration but fails to allege, and cannot allege, that Applicant holds rights in the third party Belamo's trademark or Belamo's trademark registrations. Applicant alleges no affiliation or connection whatsoever with the third party Belamo. Indeed, the only basis on which Applicant seeks cancellation of the '813 Registration is the alleged prior rights asserted by Belamo, a third party, in a different TTAB proceeding.

Applicant's Counterclaim fails because a third party's claim of prior rights in a contested mark is not a cognizable basis for cancellation of the '813 Registration, whether as a defense to the opposition, or as here, when pled in a counterclaim for cancellation. A *jus tertii* defense arises when an accused party attempts to asserts the rights of a third party. In a trademark infringement suit, a claim by defendant that a third party has rights in the mark that are superior to plaintiff is in effect a *jus tertii* defense. *See* 6 J. Thomas McCarthy, *McCarthy on Trademarks*

and Unfair Competition § 31:157 (4th ed.)("*McCarthy*"). Such type of argument based on an unrelated third party's rights is irrelevant in a cancellation proceeding. *Id*. at § 31:160.

As explained in *McCarthy*, a *jus tertii* defense should not be allowed as a defense (or by logical extension, as the basis for a counterclaim for cancellation) in any trademark case:

> "To permit a *jus tertii* defense would be unwise judicial policy because it would expand many trademark disputes far beyond a mere two-party conflict. Before plaintiff could prevail, to would have to prove that it was not an infringer of one or more third parties that the defendant can conjure up. If the defense were allowed, would the court then declare that the third party is an indispensable party to the case, require the third party to intervene, or would it permit the defendant to act as a surrogate advocate for the third party's rights? By raising *jus tertii*, a defendant could effectively divert attention from its own alleged infringement and become a vicarious avenger of another's purported rights against plaintiff (and assumably not against itself). A case could be expanded beyond reasonable bounds and effectively slowed to a crawl."
>
> *Id*.

As a matter of law, the TTAB as well as federal courts have categorically barred *jus tertii* defenses to trademark infringement and other trademark proceedings, in line with the rationale espoused in *McCarthy. See Bambu Sales, Inc. v. Sultana Crackers, Inc*., 683 F. Supp. 899, 909-10 (E.D.N.Y 1998) ("In the context of a trademark infringement suit, a claim by defendant that a third party has rights in the mark superior to plaintiff is . . . a *jus tertii* defense."); *Bishops Bay Founders Group, Inc. v. Bishops Bay Apartments, LLC*, 301 F. Supp. 2d 901 (W.D. Wis. 2003) (holding that whether a third party might have trademark rights superior to plaintiff "has no effect on this lawsuit"); *General Cigar Co. v. G.D.M. Inc*., 988 F. Supp. 647 (S.D.N.Y. 1997) (holding that a third party's possibly superior rights cannot be a defense); *Stock Pot Restaurant Inc. v. Stockpot, Inc.*, 737 F.2d 1576, 1581 (Fed. Cir. 1984) (disallowing a *jus tertii* defense in a cancellation proceeding, reasoning that "the conflict here is between petitioner [appellee] and respondent [appellant] and not between petitioner and the world"); *Krug Vins Fins de Champagne v. Rutman Wine Co.*, 197 U.S.P.Q. 572, 574 (TTAB 1977) (rejecting a *jus tertii*

defense in a cancellation proceeding[1]); *Accord Maytag Co. v. Luskin's, Inc.* 228 U.S.P.Q. 747, 750 (TTAB 1986) (it is "well established" that *jus tertii* is not a defense in opposition and cancellation proceedings and "another's prior use of a confusing similar mark for the same goods or services may not be relied upon as a defense in opposition and cancellation proceedings").

Courts have disallowed the invocation of a *jus tertii* defense where privity does not exist between the defendant and a third party, holding that the exception to the general prohibition of a *jus tertii* defense only exists where a contractual relationship puts the defendant and third party in privity. *United Food Imports, Inc. v. Baroody Imports, Inc.*, et al, No. 09 2835 (DRD), 2010 WL 1382342 (D.N.J. April 6, 2010) at *5. In our present case, the *jus tertii* defense is impermissible because Applicant has neither alleged nor proven a valid contractual relationship with Belamo which would give Applicant trademark rights that could be allegedly superior to those of Opposer. For this reason, Applicant lacks standing to rely upon a third party's alleged trademark rights as a ground to seek cancellation of the '813 Registration and its Counterclaim must be dismissed with prejudice.

B. The Counterclaim Fails to Plead Fraud with the Requisite Particularity

As Applicant has failed properly to state a claim for fraud as the ground for cancellation, dismissal is proper under Rule 12(b)(6). Fraud in procuring a trademark registration has a heightened scienter requirement. To succeed on its fraud claim, Applicant must plead and prove that Opposer knowingly made false, material representations of fact in connection with its application with intent to deceive the USPTO. *In re Bose Corp.*, 580 F.3d 1240, 1245, 91

[1] "The fact that the third person might possess some rights in their respective marks, which they could possibly assert against petitioner in a proper proceeding can avail respondent nothing herein since respondent is not in privity with nor is the successor in interest to any rights, which such persons have acquired in their marks . . . ."

USPQ2d 1938, 1941 (Fed. Cir. 2009); *see also Swiss Watch Int'l Inc. v. Fed'n of the Swiss Watch Indus.*, 101 USPQ2d 1731, 1745 (TTAB 2012). Fed. R. Civ. P. 9(b) provides that the circumstances constituting the alleged fraud must be set forth with particularity. *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 212 USPQ 801, 802 (CCPA 1981) ("[t]he pleadings [must] contain explicit rather than implied expressions of the circumstances constituting fraud"); *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009) ([A]llegations [based solely upon information and belief] fail to meet the Fed. R. Civ. P. 9(b) requirements as they are unsupported by any statement of facts providing the information upon which petitioner relies or the belief upon which the allegation is founded (*i.e.*, known information giving rise to petitioner's stated belief, or a statement regarding evidence that is *likely* to be discovered that would support a claim of fraud)) (emphasis original); *Media Online Inc. v. El Clasificado Inc.*, 88 USPQ2d 1285, 1287 (TTAB 2008) (finding the proposed amendment pleading insufficient in part under Fed. R. Civ. P 9(b) because the false statements that purportedly induce the Office to allow registration were not set forth with particularity).

As an initial matter, Applicant's fraud allegations are deficient because they are made solely "on information and belief." Counterclaim ¶¶ 8-10. Additionally, Applicant fails to plead the required materiality element of its fraud claim entirely and fails to plead the intent to deceive element with particularity. Specifically, the Counterclaim fails to state a single factual allegation concerning Opposer's alleged intent to deceive. Applicant's allegation that "Opposer made false statements willfully in bad faith" (Counterclaim, ¶ 10) is nothing more than the type of conclusory statement that the TTAB and federal district courts have repeatedly found wanting. *See e.g. Dragon Bleu v. VENM, LLC*, Opposition No. 91212231 (TTAB December 1, 2014) (granting motion to dismiss fraud counterclaim in part because "the amended counterclaim

neither generally alleges intent to deceive the USPTO, nor pleads supporting facts from which we may reasonably infer that Opposer intended to deceive the USPTO."). *See generally Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 91 USPQ2d 1656, 1668 (Fed. Cir. 2009) (allegation of fraud on the USPTO "must include sufficient allegations of underlying facts from which a court may reasonably infer that a specific individual (1) knew of the withheld material information or of the falsity of the material misrepresentation, and (2) withheld or misrepresented this information with a specific intent to deceive the PTO"). "Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis." *In re Bose,* 91 USPQ2d at 1941.

Applicant fails to state a single factual allegation concerning Opposer's alleged subjective intent to deceive. The conclusory statement that "Opposer made false statements willfully in bad faith" does not meet the requirement of Rule 9(b) that pleadings contain explicit rather than implied expression of the circumstances constituting fraud. Accordingly, the Board must dismiss Applicant's Counterclaim asserted on the ground of fraud for failure to state a claim for relief.

IV. Conclusion

For the foregoing reasons as set forth in Opposer's Motion to Dismiss, Opposer respectfully requests that the Board dismiss the Counterclaim for Cancellation with prejudice.

Dated: December 15, 2014

Respectfully submitted,

s/Gayle L. Strong

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CERTIFICATE OF SERVICE

I hereby certify that on December 15, 2014, a true and correct copy of the foregoing Motion to Dismiss was served via First Class Mail, postage prepaid on counsel of record for Applicant:

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s/ Jolene Denton
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